

Signed: August 06, 2012

**SO ORDERED**

IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE DISTRICT OF MARYLAND  
 (Greenbelt Division)

In re:	)	Chapter 11
	)	
KH FUNDING CO.,	)	Case No. 10-37371 (TJC)
Debtor.	)	
	)	

**FOURTH INTERIM AND FINAL APPLICATION OF PACHULSKI STANG  
 ZIEHL & JONES LLP, AS COUNSEL TO THE OFFICIAL COMMITTEE OF  
 UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR  
 SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES  
 INCURRED FOR THE PERIOD FEBRUARY 1, 2012 THROUGH MAY 1, 2012 AND  
FOR FINAL ALLOWANCE OF PREVIOUSLY ALLOWED FEES AND COSTS**

Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”), as counsel to the Official Committee of Unsecured Creditors (the “Committee”) of KH Funding Co., the above-captioned debtor and debtor-in-possession (the “Debtor”), files its Fourth Interim and Final Application for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the period February 1, 2012 through May 1, 2012 (the “Fourth Application Period”) and for Final Allowance of Previously Allowed Fees and Costs (the “Application”), pursuant to §§ 327, 330 and 331 of 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), and Fed. R. Bankr. P. 2016. PSZ&J seeks approval of compensation in the amount of \$327,507.00 (after voluntary reductions in the exercise of billing discretion) and reimbursement for out-of-pocket expenses in the amount of \$2,782.01 for this Fourth Application Period and final allowance of all previously awarded fees and expenses (including the Fourth Application Period), and in support thereof states as follows:

reasonable and a benefit to the Debtor's estate, it is by the United States Bankruptcy Court for the District of Maryland,

**ORDERED**, that the request contained within the Application be, and the same is hereby, approved and allowed on a final basis in the amount of \$65,958.50 as compensation for services rendered and \$1,031.28 as reimbursement of expenses incurred during the Fourth Application Period (February 1, 2012 through May 1, 2012); and it is further

**ORDERED**, that the previously allowed fees of \$261,548.50 and costs in the amount of \$1,750.73 are hereby approved and allowed on a final basis; and it is further

**ORDERED**, that the Debtor be, and hereby is authorized and directed to release and deliver to PSZ&J the sums approved above to the extent unpaid.

cc: Bradford J. Sandler , Esquire  
Pachulski Stang Ziehl & Jones LLP  
919 N. Market Street, 17th Floor  
Wilmington, DE 19899-8705

Mark A. Neal, Esquire  
Office of the United States Trustee  
101 W. Lombard Street, Suite 2625  
Baltimore, MD 21201

**END OF ORDER**